

## 'It's Not What You Expect'

### New York region begins Salem test market

R.J. Reynolds Tobacco Co.'s Salem brand-marketing team launched its new repositioning for Salem into test market Nov. 3, and chances are it's not what most adult menthol smokers expect.

The advertising campaign, which uses the tagline "It's Not What You Expect," is running within the five boroughs of New York — Manhattan, Brooklyn, Queens, Staten Island and the Bronx. Along with new advertising, the launch includes new brand-family packaging and products, and an innovative event marketing program.

"Seeing the positive results the Winston brand is experiencing with the 'No Bull' campaign, the Salem brand team is excited to move forward with the Salem repositioning," says Doug Shouse, vice president of marketing for Salem. "The efforts to

relaunch Salem have been outstanding all around, with contributions from various departments from across the company."

According to Shouse, creating a successful test market for "It's Not What You Expect" involves using every piece of Salem's marketing strategy — the total marketing mix. "Menthol is an under-marketed idea in the cigarette business. What we're trying to do is reinvent Salem with an innovative product and packaging while capturing a distinctive and engaging attitude for the brand. And, the New York test market will be our success indicator."

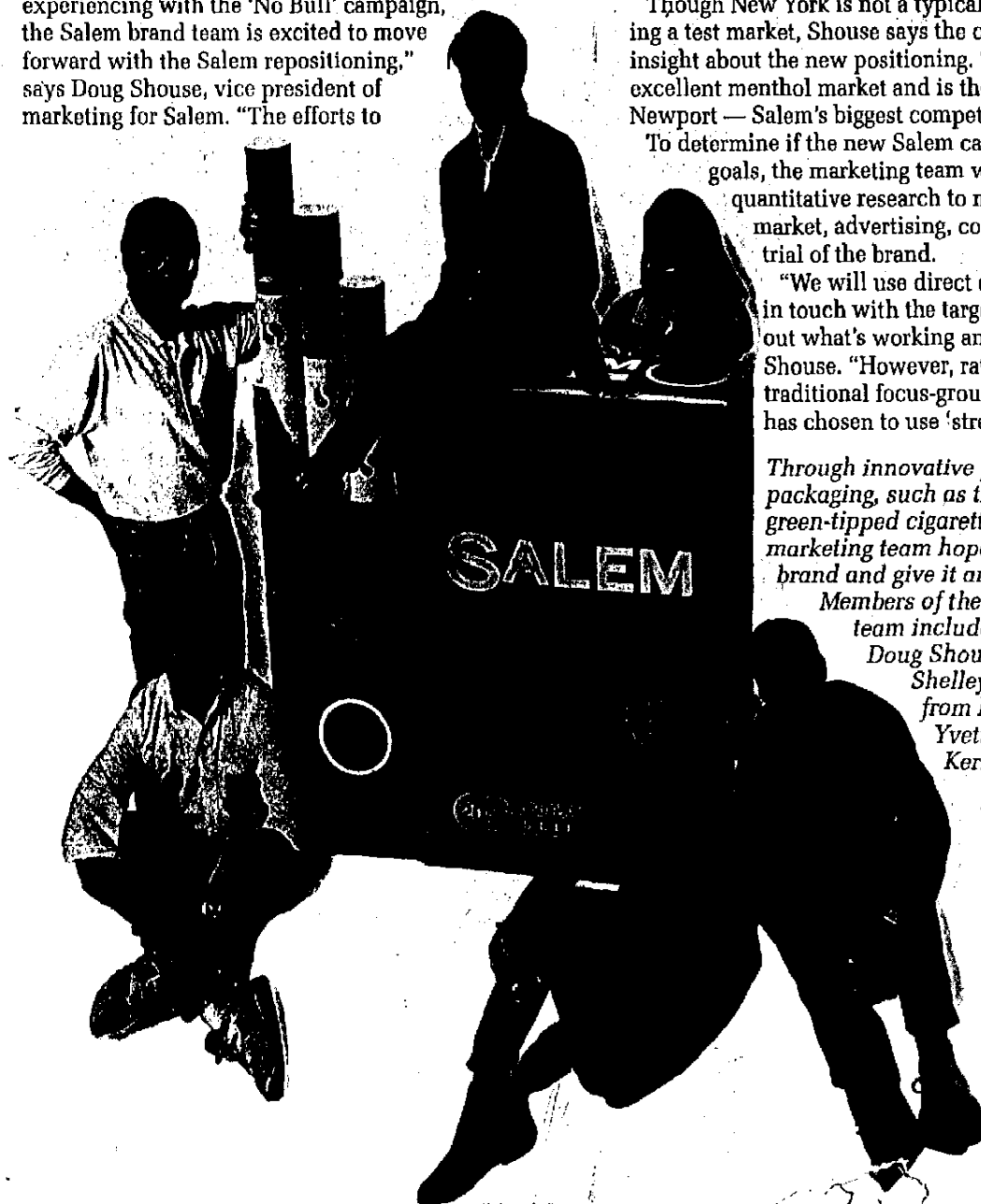
Though New York is not a typical location for conducting a test market, Shouse says the city will offer valuable insight about the new positioning. "New York is an excellent menthol market and is the largest market for Newport — Salem's biggest competitor."

To determine if the new Salem campaign is meeting its goals, the marketing team will be conducting quantitative research to measure share of market, advertising, consumer awareness and trial of the brand.

"We will use direct consumer input to stay in touch with the target audience and find out what's working and what's not," says Shouse. "However, rather than using traditional focus-group sessions, the brand has chosen to use 'street-level' methods of ▶▶▶

*Through innovative product and packaging, such as the slide-box and green-tipped cigarette, the Salem marketing team hopes to reinvent the brand and give it an engaging attitude.*

*Members of the Salem marketing team include, (top row, from left) Doug Shouse, Carol Russell, Shelley Malloy, (seated, from left) Mark LaBrecque, Yvette Willard and Jack Kerigan.*



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gathering feedback. The brand will be talking to adult smokers in their normal, everyday environment and getting input from an ongoing panel of 21-to-34-year-old menthol smokers in the New York metro area. We feel this will be the most effective way for the brand to go right to the source and learn what adult smokers think about the new Salem."

New York is also an ideal test-market location for Salem because 76 percent of the area's cigarette market is composed of box-style cigarettes — a style Salem has not emphasized in the past.

"With the new campaign, Salem will begin showing adult smokers four new box styles — first the new lights in 85s and 100s," says Carol Russell, senior marketing manager for Salem. "But, rather than using the traditional flip-top box, Salem will use a new style packaging for the 85mm product. The new design gives the brand a tactical point-of-difference, and the brand stand out from competitors."

"A pack change is a high-risk move because it can trigger a revolt," says Russell. "But, the new design was gathered from adult smokers and they like the fact that it's something new and energetic happening with the brand."

Salem's new packaging design features dark and light shades of green and a torch design that cuts through the center of the pack, dividing the two halves. The design, which was developed by the New York agency of Tampa, Fla., and New York City Packaging, gives Salem a contemporary look.

Along with the new pack, the look of the new box-style cigarettes has also changed. "Rather than using white tipping paper, these Salem cigarette styles will have cork tipping to connote more tobacco flavor," says Yvette Willard, senior marketing manager for Salem. "Also included within each pack is one green-tipped cigarette which adult, competitive

smokers find very intriguing. In keeping with the unexpected character of the brand, this unique cigarette will not be advertised, but left for the adult smoker to discover."

"This green-tipped cigarette was no small production challenge," says Russell. "But, our manufacturing group did a fantastic job of integrating it into Salem's packs."

The brand also plans to use natural menthol flavoring with the new Salem, rather than a mix of natural and synthetic menthol. "Because of economics and logistics, cigarette manufacturers have always combined natural and synthetic menthol," says Shouse. "Most adult smokers think that their cigarettes contain only synthetic menthol. By offering only natural menthol, we give adult smokers another reason to try the new Salem — a product point-of-difference."

To communicate this point-of-difference, Salem will print "Natural Menthol" on the packaging and include pack cards that feature the menthol plant with taglines such as, "Mint-Conditioned" and "Virgin Menthol."

## ADVERTISING

"Traditionally, the marketing of menthol cigarettes has been product-driven. Advertisements have typically used green colors and cooling images such as waterfalls — common methods which have become boring," says Russell. "The Salem brand wants to take the menthol idea and reposition it as interesting and emotionally appealing — give it an attitude."

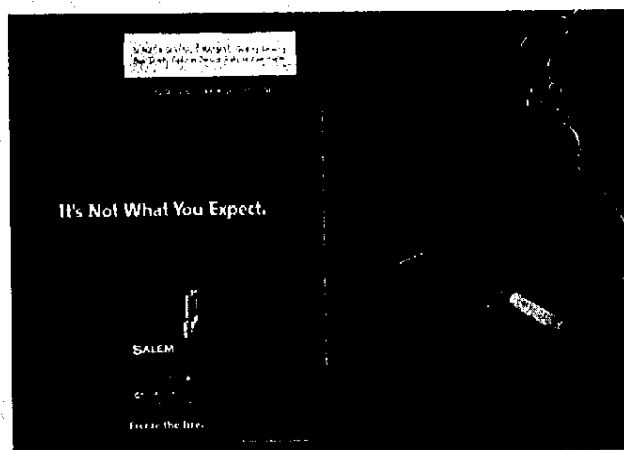
This level of emotion and attitude comes through in Salem's print, out-of-home and retail executions. Print advertisements, which predominantly consist of four-page inserts, are designed to reveal an unexpected image. One ad, for example, shows a chili pepper on a blackboard's board. But, it's not what you expect. The reader opens the insert to find that what appeared to be a chili pepper is actually a cigarette. The copy line, "Freeze the Fire," refers to the chili pepper and the cooling effect of menthol.

The imagery the insert reveals is different than what the reader expects," says Russell.

Salem will continue to use the traditional menthol color, but by incorporating a new design for menthol in an unexpected way. The new ads, created by Whiteley, a New York City adult publications such as *The Village Voice*.

The new print materials will feature a green globe-like design that is taken from the pack design. "This orb is the new 'It's Not What You Expect' campaign symbol," says Russell. "The brand hopes to make this symbol a long-term brand icon."

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The Salem marketing team has developed a series of ads with die-cut inserts which communicate the brand's "It's Not What You Expect" repositioning in an unexpected and modern way.

# SM Sales Merchandiser



*Assisting the efficient execution of sales' accountabilities and strengthening communication within the department are among the benefits of sales' automation upgrade. Project coordinators include, (front row, from left) John Boehm, Nadyne Brown, (back row, from left) Evan Toulon, Tim Swoope and Chris Minner.*

## RJR sales force continues automation upgrade

In 1984, the R.J. Reynolds Tobacco Co. sales department jumped into the computer age with the Norand hand-held computer — providing the RJR sales force with additional selling tools and expertise. Since that time,

many enhancements have taken place, including the introduction of Poqet computers for sales representatives in 1994 and for retail representatives in 1995, as well as the introduction of laptop computers to sales managers and sales representatives in 1995.

Beginning this year, and carrying into early 1998, the RJR sales team will again upgrade to the latest in selling tools through computer automation for all managers and representatives.

The main objective of the equipment transition is to increase the efficiency of RJR's sales managers

and representatives. "Because the sales department is made up of selling and implementation units, the need for timely and effective communication is critical," says John Boehm, national manager — sales training. "Currently, electronic communication between these groups is difficult due to differences in equipment. Both sales and retail representatives will be upgraded to laptop computers — improving this communication link."

"Sales reps and retail reps will now have the opportunity to use the account management program — a database which keeps track of store volume, contracts, merchandisers and calls. Communication between sales and retail reps, and their manager will also become easier."

### Selling Tools

Project leader Richard Cross, senior manager — sales/marketing organization and development, says the upgrade is a part of the sales department's long-term plan and strategy. "Our goal is to equip the field sales team with information and selling tools that help them make sound business decisions in a dynamic marketplace," says Cross. "The competitive environment is very intense, and in many situations, the only thing that separates us as a sales organization from our competitors is the service we provide. By being one of the first companies to automate its field sales force, Reynolds Tobacco has an advantage over the competition."

Cross says, however, that it is important to note that sales is not rolling out these new computers for technology sake. "Sales' primary accountability is to sell and leverage RJR's brands at retail through the '3Ps' — presence, promotion and product availability. There are more than 2,000 employees in the field sales force, and technology will enable us to get information out to them in the most efficient manner possible." ▶▶▶

# SM Sales Merchandiser

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## Computer rollout

The computer rollout involves a number of steps. "First, we will distribute the new computers to the field managers for training in Winston-Salem. During training, their old computers will then be collected for clean-up and redistribution to the retail reps," says Evan Toulon, manager - sales/marketing training. "Employees at the Computer Depot in Winston-Salem will load the appropriate software applications, as well as put each machine through a quality-control check to ensure they are operating properly."

Next, the computers will be redistributed to the field for retail-rep computer training. "We have created a program called 'Train the Trainer' which instructs managers on how to teach retail reps the complete hardware and software operation of their laptops," says Chris Minner, manager - sales/marketing training. "Training will primarily be conducted in the field, and by including the sales managers in the process, we can ensure a business focus is tied into this automation."



*During a computer training session held recently in Winston-Salem, Nadyne Brown assists Mark Jamison, account manager - Winston-Salem chain division, with the operation of a computer application.*

The training process has been divided into one and two-day sessions — one day for managers and sales reps, and two days for retail reps. "Retail reps will go through the most exhaustive training process because they are moving from DOS to Windows-based programs," says Nadyne Brown, manager of technical training - information resources. "They will learn everything from hardware and application training, to using the mouse and e-mail."

Managers and sales reps will learn the functions of computer hardware and how to operate Windows '95 and a CD ROM. According to Toulon, the CD ROM will offer the sales department a fast and efficient way to communicate information to sales managers and representatives. "A CD can be developed, duplicated and distributed to the field quickly and at a fraction of the cost — eliminating wasted time and paper," says Toulon.

To familiarize managers with training procedures and materials, Brown has written a facilitator's guide. "This guide offers managers the information they need to conduct their training sessions," says Brown. "Information such as how to set up the training format, what materials to line up before the session and outlines on how to run the applications are all mentioned in the guide." To help facilitate training for sales reps and managers, a video and Power-Point road map have also been created for facilitators.

"The Ghostwriters, a group of technical documentation writers, have created demos and quick cards for field sales employees to reference if they have any questions about their computers. Demos give brief demonstrations of computer applications such as e-mail, while quick cards serve as a help file." An instructional video for the 760 laptop is also available to answer managers' and sales reps' questions.



*John Boehm instructs Clay Ward, division manager - Knoxville, Tenn., about the functions of computer hardware.*

## Pilot Program

Before RJR launches "Train the Trainer" throughout the sales regions, the training group will run a month-long pilot program in the Austin and Dallas divisions. "The pilot program should give us a good idea of what issues we will face on a larger scale and what kinks to iron out before we roll out to all of the regions," says Tim Swoope, manager - sales/marketing training.

Once the pilot is completed, the sales department will evaluate the program and move forward. Project coordinators anticipate that the computer rollout will be completed by the end of the first quarter of 1998. "This team has done an outstanding job of moving this project along," says Cross. "Thanks to the efforts of everyone involved, from information resources and Ghostwriters to the sales-training managers and equipment personnel at 50-1, we will be able to continue our automation of the field sales force and make RJR an even stronger competitor in the marketplace." ■

# 'It's Not What You Expect' RJR sales force hits the streets with Salem

With the Nov. 3 kickoff of the Salem test market in New York, the region's field sales force was ready to hit the streets and make it a success.

"The sales force is fired up about the 'It's Not What You Expect' repositioning," says Mark Young, regional sales manager — New York Metro. "In New York, Salem is RJR's No. 1 selling cigarette brand, but Newport — the brand's strongest competitor — holds the largest share of market in the region. RJR field sales employees are excited that the brand has a repositioning that will stack up well against our competitors' brands."

Young says that New York was chosen for the test market not only because it is the largest market for Newport, but also because it is primarily a full-price brand market. "Full-price brands comprise 95 percent of the New York cigarette market. Therefore, brands such as Camel, Winston and Salem have a stronger retail presence. Because less emphasis is placed on the savings category, our sales team can really concentrate on the Salem test market, while continuing to drive Camel and Winston at retail."

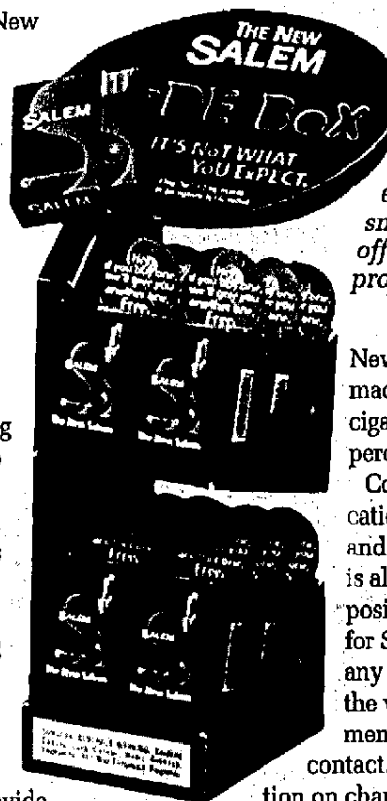
New York's stores and separate tax stamp also provide a good environment for measuring the progress of the Salem test market. "Close to 95 percent of the total stores in the New York area are independent," says Young. "These stores are not connected with a chain that may, for instance, only have one-third of their stores in our region. Combined with the fact that the New York metro area has a separate tax stamp, this creates a kind of boundary around the test market. We are better able to differentiate between the sale of the current and new Salem products — making the task of analyzing the success of the repositioning easier."

When developing Salem's retail strategy, sales remained in constant contact with the marketing department — offering suggestions and feedback on retail tactics. "From the start, sales has been involved with developing Salem's retail materials," says Young. "At every point in the process, we were asked to give input on the materials the brand

was creating. The New York region feels a sense of ownership in the 'It's Not What You Expect' repositioning."

Floyd Cook, manager — sales planning, says the sales force will be crucial in making the test market a success. "Marketing has done its part to develop the repositioning. And now it's up to sales to execute it."

According to Cook, by following the "3Ps" — presence, promotion and product availability — the sales force will provide what is needed for a successful test market. "Sales' job is to get Salem into every store in the marketplace, to work the 'It's Not What You Expect' promotion and displays, and build brand presence," says Cook. "In particular, sales needs to emphasize Salem's four new box styles — full-flavor and lights 85s and 100s." About 76 percent of the

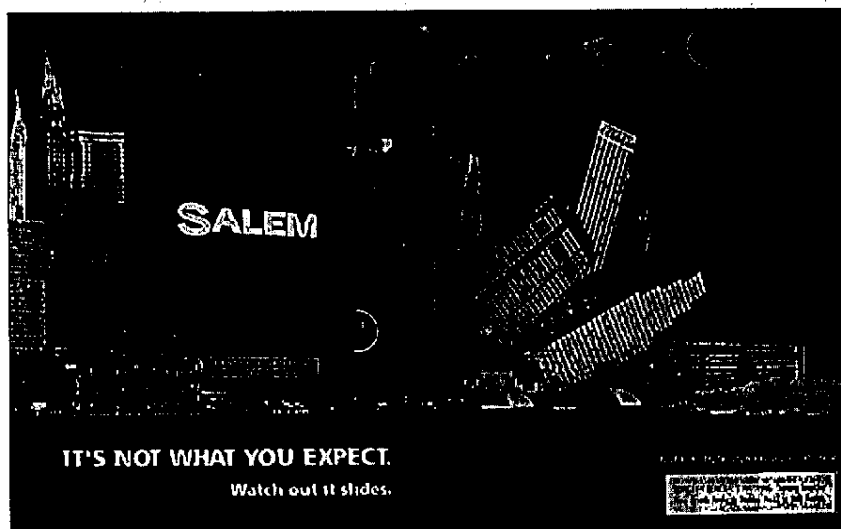


Working together, RJR's sales and Salem marketing teams have developed merchandisers that engage the adult smoker at retail while offering trial-generating promotions.

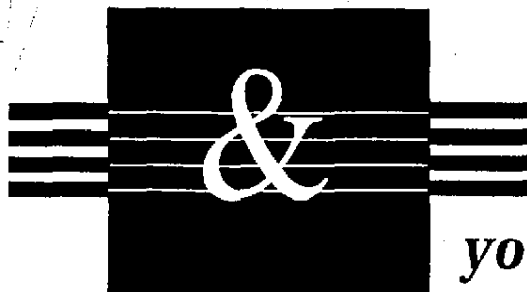
New York cigarette market is made up of box-style cigarettes, compared to 25 percent nationally.

Cook adds that communication between the brand and the New York sales team is also key in achieving positive test-market results for Salem. "In order to make any needed changes along the way, these two departments must stay in constant contact. To exchange information on changes, statistics and new data, marketing and sales will communicate every week through a voice-mail system."

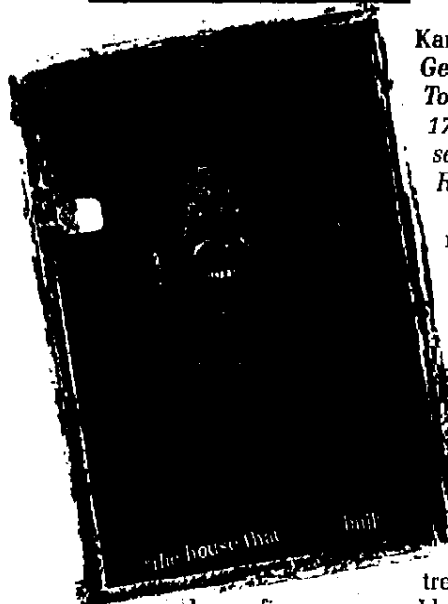
"The bottom line is, if our sales team does its part, this test market will work," says Young. "This team believes in the Salem repositioning. We're ready to take 'It's Not What You Expect' to the New York streets." ■



Using the tagline, "Watch out it slides," the Salem brand team communicates the unique slide-box style to its New York metro test-market audience.



## How do you show your support for Reynolds Tobacco?



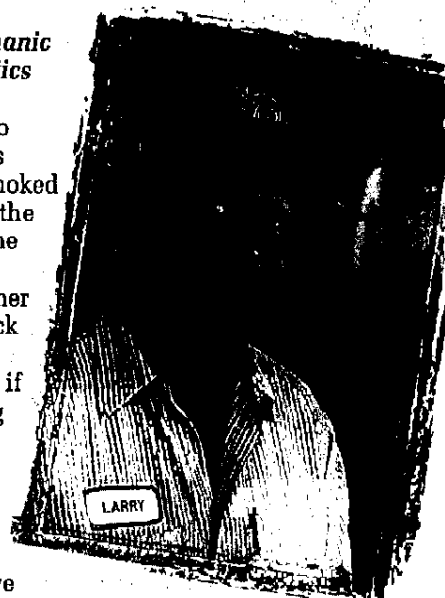
**Kandice Corn**  
*General plant attendant  
Tobaccoville*  
17 years of service and a  
second-generation  
RJR employee

"I was born with RJR in my blood. My father worked here as manager of truck and storage while I was growing up. He was behind this company 150 percent, and so am I. As an active member of the Tobacco Action Coalition (TAC), I show my support for RJR. I've been the treasurer of TAC since it began five years ago. I hope my involvement will encourage others to take a stand for the tobacco industry and for our jobs."



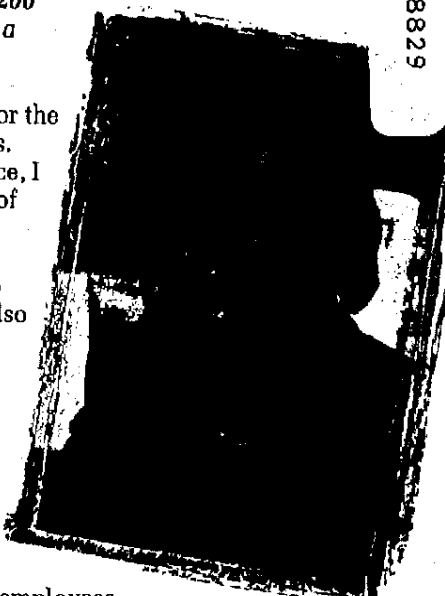
**Mannie A. Hardin Jr.**  
*Production assistant  
Tobaccoville making  
and packing*  
31 years of service

"I show my support for Reynolds Tobacco Company any way I can. This is my livelihood, and I'm going to stand up for the company. I smoke Salem Lights because it's a great product. I've been up to Washington on both bus trips to help put a face on this industry. This company has been good to me. The company has helped me provide for my children. We have a great family here at work, too. I love coming to work every day."



**Larry Burcham**  
*Diesel and truck mechanic  
Distribution and logistics*  
22 years of service

"The first thing I do to support my company is smoke Winston. I've smoked Winston for years, and the no-additives blend is the best yet. And, if I see somebody buying another brand, I buy them a pack of Winstons. I feel our brands are the best and if smokers aren't smoking them — they need to try them. The second thing I do is my job — the best that I can every day. In the trucking department, we know that if the RJR trucks aren't moving, the product is not getting to our customers, and the company is not making any money. So, if I do my job well, then there's a better chance the trucks will keep moving down the road, and we'll make money."



**Carolyn Crutchfield**  
*Principal administrative assistant  
RJR Packaging, Plant 200*  
23 years of service and a  
second-generation  
RJR employee

"I show my support for the company in many ways. Every time I get a chance, I stand up for the rights of people in the tobacco industry. I'm an active member in the Tobacco Action Coalition. I'm also a member of the RJR Volunteer Program Steering Committee. We're trying to raise community awareness of the volunteer contributions of our company's employees. I feel that increasing awareness of what our employees contribute is important, because it reminds everyone that we are a vital part of this community. I'm proud to be working at Plant 200. I love it."

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**James S. Wilks**  
*Packing operator*  
*Shorefair*

*31 years of service*

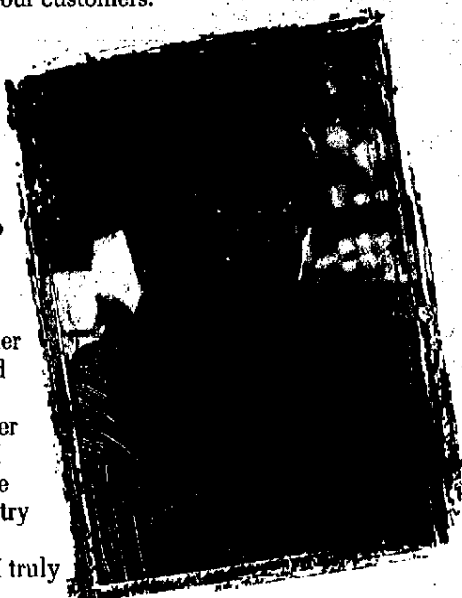
"I show my support for the company through my support of our new product Eclipse. I feel this is a great product and that it is the cigarette of the future. I really want to see Eclipse go. I've made six trips to Chattanooga — where the product is in test market — to talk directly with smokers to gauge consumer reaction to the brand. Being out in stores and talking with customers really meant a lot to me. I learned so much and am truly appreciative of our customers."



**Al Gonzalez-Parra**  
*Senior staff chemist*  
*R&D*

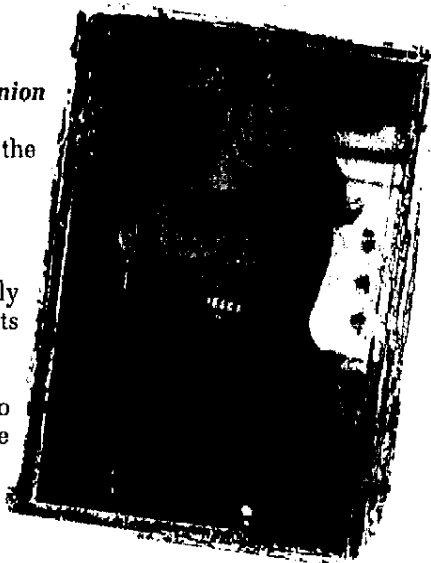
*16 years of service*

"I feel my support for the company is twofold. Internally, I do the very best I can on my job to contribute to the bottom line through effective research on developing new products such as Eclipse. We've worked on consumer acceptance, taste modifications and the smokeability of the brand. I consider myself a strong team player and enjoy cross-functional teams. I keep a positive attitude toward the company and my job. Secondly, I try to be an ambassador for Reynolds Tobacco whenever I'm in public. I truly believe in personal selling for our products and want smokers to try them."



**Molly Thompson**  
*Desktop publisher*  
*Reynolds Carolina Federal Credit Union*  
*10 years of service*

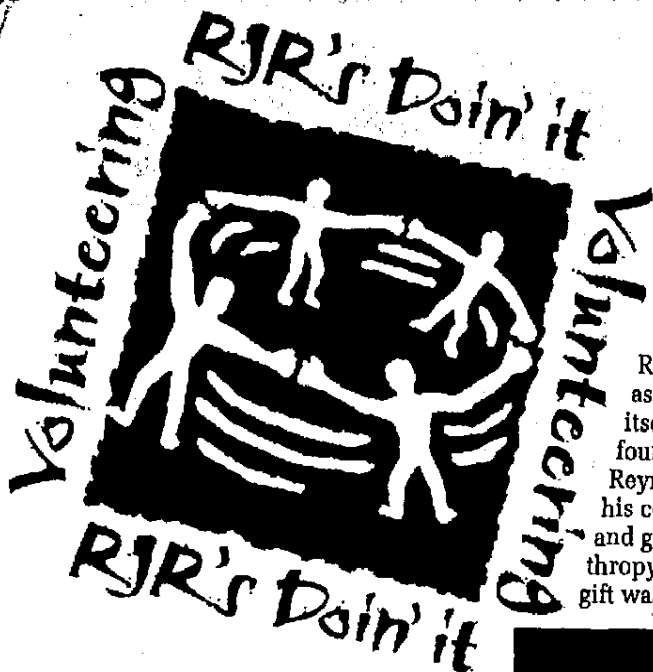
"One thing I do to show support for the company is to smoke our brands and encourage other adults who smoke to smoke our brands. I also walked with RJR's team in the March of Dimes Teamwalk 1997. In addition, my family and I use one of the company's benefits — Reynolds Carolina Federal Credit Union. As part of my job at RCFCU, I assist in communicating its services to RJR employees — and that helps serve their financial needs. Finally, I support the company by believing in the people I work with so that, as a team, we can achieve success."



## Eight Ways to Practice Diversity

- Speak up against inappropriate behavior (i.e., racist/sexist jokes and comments).
- Confront your own prejudices.
- Question stereotypes.
- Challenge labels applied to groups of people.
- Refuse to classify or categorize people.
- Put yourself in the other person's shoes.
- Get to know someone of another race/culture/different beliefs, etc.
- Educate yourself on diversity issues and share that knowledge.

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*"You give but little when you give of your possessions. It is when you give of yourself that you truly give."*

*-Kahlil Gibran  
author of The Prophet*

It is in that spirit of giving that a group of 15 RJR employees has joined together to form a volunteer program to motivate and encourage fellow employees to give of their own time for the betterment of their communities.

"We wanted to formalize our volunteer efforts across the company," says Bob Gordon, executive vice president - human resources. "RJR employees have always given generously to help others, and we wanted to record just how many employees were involved in volunteer programs and what agencies they volunteer for in their communities."

The effort is being led by an employee steering committee, headed by Robert Eggleston of contracts administration and Dorothy Henley of disbursements accounting.

The RJR volunteer committee's mission is to integrate the interests of RJR employees and retirees with the needs of the communities in which they live through volunteerism.

"Employees saw the need to provide a framework for all the efforts of their co-workers across the company who regularly give of their time to community organizations," Eggleston says. "We wanted to support these employees, make sure they know about corporate resources available to them through grant programs, and encourage them to

represent the company while they give time to help others for the betterment of our communities."

Volunteerism at R.J. Reynolds Tobacco Co. is as old as the company itself. The company founder, Richard Joshua Reynolds, was vigorous in his community leadership and generous in his philanthropy. His first documented gift was in 1891 when he gave

\$500 toward the establishment of Slater Industrial School, which later became Winston-Salem State University.

R.J. Reynolds Tobacco Co. employees have continued that tradition of community support throughout the company's history.

Henley explains that one immediate goal of the steering committee is to find out in what volunteer projects RJR employees are currently participating. Henley says, "The Volunteer Program Steering Committee has taken a survey of employees to find out what kinds of volunteer efforts are already underway. Our goal is to build on these efforts and to reach out to all communities where RJR employees and retirees live."

The steering committee took on their first volunteer project by working together to serve dinner and stay overnight at the Winston-Salem Samaritan Inn, a shelter for men. Teresa Lyles of R&D says, "I was overwhelmed by the appreciation that the guests at the Inn showed us for serving dinner to them. Working as a team drew the steering committee members together in a very positive way." ■

*Chris Todd of distribution and logistics says, "We can make a difference. If we're just willing to work together and give up some time, we can help so many people right here at home. And, I know from my experience that when you volunteer, you always get back more than you give."*

Corporate Volunteer Steering Committee		
Chris Todd	741-7241	Contracts
Robert Eggleston	741-7241	Administration
Dorothy Henley	741-8327	Disbursements
		Accounting
Wendell		Monitoring
John Wiggins	938-7245	Self-Care
Barbara Bates	741-0210	External Relations and
Dorothy Henley	741-8388	Human Resources
Carolyn Hutchins	741-6462	Packaging
W. Gordon	741-8357	Shoreland
Teresa Lyles	741-2492	R&D
Ellen Manitt	741-6624	Public Relations
Conn Morrison	741-4951	R&D
Buena Vista	741-2619	Sales and Marketing
Dorothy Henley	741-4163	Engineering/Quality
		Assurance and
		Operations/Planning
Chris Todd	741-7241	Distribution and
		Logistics
Vivian Turner	741-0049	Community Affairs
Bob Wiggins	741-6376	Law and Law Compliance



# RJR grants assist Nobel Prize winning research

*The following letter was sent to J. Paul Sticht, retired chairman of R.J. Reynolds Industries, commending the company for research grants it provided toward medical research during the 1980s. 1997 Nobel Prize winner Stanley Prusiner was the recipient of RJR research grants.*

Oct. 10, 1997

Dear Paul,

You have probably noted in the press or television that Professor Stanley Prusiner has just received the Nobel Prize in Medicine, completely alone, for his work on a special infectious protein which he has named the prion. You very directly deserve some of the credit for that award. Soon after you decided to set up a committee to distribute grants from RJR resources for promising research in medicine, Dr. Maclyn McCarty and I were on the West Coast and visited Prusiner, who then held junior rank. He had decided to investigate the agent which causes scrapie-like diseases in animals. As you will recall, scrapie is a very common disease found in sheep in England and is now believed, as a result of transfer, to be the source of what is called Mad Cow Disease. Prusiner expected to find a virus or a virus-like agent, but much to his surprise could not detect any trace of DNA or RNA. The agent seemed to be a pure protein. The prominent agencies in the government which provide funds for such research felt that he was merely incompetent, so he was having great difficulty obtaining adequate support for his work on hamsters. McCarty and I decided that he was not incompetent and that he probably had something very new and worth pursuing. A series of Reynolds grants rescued him until it became clear that his research was far from trivial.

I should mention that Maclyn McCarty was the individual who discovered that DNA carries the genetic message, in contradiction with the widely held belief that the gene had to be a protein. ...

Very best regards.

Frederick Seitz, Ph.D.  
The Rockefeller University

(Continued from page 2)

## Salem repositioning

RETAIL

"Traditional retail marketing strategies usually emphasize brand name and pricing communication. There's not a lot of image communication," says Willard. "Salem is breaking the traditional rules of retail marketing by focusing less on promotion and more on attitude."

Using black backgrounds and interactive devices, the brand hopes to engage the adult smoker at retail. One example is a product merchandiser which contains a tear pad with varying irreverent or humorous messages — such as "Store in a Cool Place" and "Hail, Mentha Arvensis (Latin for Cool)" — accompany the Salem. Another example is the unusual display material used with a traditional general inquiry one-geonite promotion. The consumer has the opportunity to handle a slide box replica prior to purchase of the product.

"Field sales plays a key role in planning our marketing strategies at retail," says Willard. Mark Young, regional sales manager in New York, and his team have enthusiastically built a strong retail plan for Salem. The sales force will be a crucial in making the New York test market a success.

Another tool the brand is using to drive the "It's Not What You Expect" positioning is a non-traditional direct marketing program. Developed by Boston's of Westport, Conn., the direct marketing program is intended to intrigue adult, competitive smokers and generate trial of the new Salem product.

"The bottom line is, Salem is trying to come out with a one-of-a-kind, distinctive campaign for the menthol category and, at the same time, put some real vitality into the brand," says Shouso. "Salem was the first brand to make menthol a mass idea 40 years ago, and Salem will be the first brand to bring product and image innovation to the menthol category for the future. I think we have something good with Salem's new brand positioning."



To engage the adult smoker at retail, Salem's merchandisers include interactive devices such as tear pads with irreverent and humorous messages.

November 1997

Dear Employees:

I want to thank the many RJR employees who responded to the recent fire in our Cold Storage facility for going the extra mile on September 30. Your willingness to work around the clock to help organize and control the fire-fighting effort and manage the follow-up operation is greatly appreciated.

With community assistance, we were able to quickly and efficiently contain the fire within 24 hours. The teamwork between RJR employees and the community emergency personnel at the scene was nothing short of inspiring. We are very grateful for the emergency back-up from the community including 10 fire engines, four tankers, two aerial trucks and eight support vehicles.

While no one wants to face a situation such as a building fire, I was very proud that when we had to, RJR was well prepared and able to respond with speed, efficiency and outstanding teamwork. And, this teamwork did not stop when the flames died down, but has continued in the ensuing weeks during the necessary follow-up effort.

Thank you,

*Jim Wilson*

Jim Wilson

Senior Vice President - Operations

## Letter expresses gratitude for teamwork during fire



## Employee wins \$1,000 grand prize

RJR Vice President of Manufacturing, Joe Juman, RJR United Way chair, congratulates Tobaccoville employee Larry Hill, winner of the \$1,000 grand prize in the United Way Round Up Game (inset). Helping to bring the United Way Western theme to life during RJR's United Way solicitor luncheon were Tom Ashley, Jimmy Conrad, Larry Gossett, Steve Jones, Jerry Joyce and Mike Warren of Tobaccoville who lent their carpentry skills to building a 10-foot tall replica of a ranch entrance way sign, which will remain standing near the Tobaccoville picnic shelter, will be used for other company functions.

## SERVICE AWARDS

### 35 YEARS - SEPTEMBER

**Nancy C. Bodsford**  
Whitaker Park making  
and packing

**Maxine M. Boyles**  
Whitaker Park making  
and packing

**James L. Cohn**  
No. 604 cylinder engraving

**Faye D. Everhart**  
Manufacturing personnel  
general

**James D. Gordy**  
Whitaker Park making  
and packing

**Linda B. Hammett**  
Law

**Betty H. Hennings**  
Tobaccoville making  
and packing

**Jared B. Roberts**  
No. 200 presses and cutters

**Linda C. Sheets**  
Whitaker Park making  
and packing

**Eddie R. Warner**  
Whitaker Park making  
and packing

### 30 YEARS - SEPTEMBER

**Bobbie D. Adams**  
Whitaker Park material  
control/export

**Phillip R. Arrington**  
Tobaccoville material  
control/export

**Myra G. Benjamin**  
Tobaccoville making  
and packing

**James R. Brock**  
Whitaker Park making  
and packing

**Donald C. Brown**  
No. 603 processing

**Harold J. Brown**  
CDC maintenance

**Maxine K. Brown**  
Tobaccoville making  
and packing general

**Phillip I. Brown**  
Tobaccoville making  
and packing

**Sandra C. Carter**  
Manufacturing personnel  
general

**Margaret T. Cass**  
Tobaccoville making  
and packing

**Thomas N.B. Chisholm**  
Tobaccoville process  
control/quality control

**Annette H. Coe**  
Auto-truck administration

**William M. Collins**  
CO2 production

**E.K. Cornelius**  
Tobaccoville final blended  
strips/casing and drying

**Naomi F. Crawford**  
Tobaccoville process  
control/quality control

**Audrey J. Davis**  
Whitaker Park making  
and packing

**Harrell S. Dillon**  
Quality assurance technical  
services

**Pearl H. Fair**  
Whitaker Park primary

**Larry D. Frye**  
Tobaccoville making  
and packing

**Charles P. Galloway**  
Tobaccoville making  
and packing general

**Phillip E. Galyan**  
Business strategy and planning

**Carolyn G. Green**  
Tobaccoville making  
and packing

**Henry Hardin**  
Tobaccoville making  
and packing

**Alice F. Harris**  
Whitaker Park making  
and packing

**William Harris**  
No. 603 G-7 production

**Elmer R. Hawkins**  
Tobaccoville final blended  
strips/casing and drying

**Larry W. Hicks**  
Tobaccoville making  
maintenance

**Donald L. James**  
Product development  
and assessment

**Frank P. Long Jr.**  
Downtown utilities

**Alice F. Lynch**  
Consumer relations

**John C. Marshall**  
No. 603 processing

**Jacqueline McCulston**  
Customer financial services

**Lawrence M. Milze**  
Whitaker Park making  
and packing

**Steven D. Moxley**  
Production support services  
maintenance general

**Richard E. Pettus**  
Whitaker Park making  
and packing

**Gloria P. Roseboro**  
New cigarette technology

**Mary M. Samuels**  
Whitaker Park making  
and packing

**Donald L. Scott**  
CDC shipping

**Ronald H. Shore**  
Operations technical training

**Larry R. Smith**  
No. 604 cylinder engraving

**William H. Smith**  
Whitaker Park making  
and packing

**Fayrene C. Styers**  
Tobaccoville making  
and packing

**Edmond J. Tripp**  
Tobaccoville making  
and packing

**Wade T. Walser**  
Whitaker Park primary general

**Donnie L. Warren**  
Tobaccoville final blended  
strips/casing and drying



J. Brock - 30



D. Brown - 30



H. Brown - 30



T. Chisholm - 30



P. Fair - 30



J. McCulston - 30



D. Scott - 30

(continued from page 11)  
**William M. Whitman Jr.**  
*Whitaker Park making  
and packing*

**Thomas R. Willard**  
*Tobaccolville making  
and packing*

**Vera J. Williams**  
*Technical services*

**Tribut Williamson**  
*Tobaccolville casing  
and cutting/cut-filler storage*

**Kenneth W. Woodruff**  
*Tobaccolville primary cut  
general*



E. Tripp - 30

## 25 YEARS - SEPTEMBER

**C.J. Beaver Jr.**  
*Sales*

**P.A. Dubuque**  
*Sales*

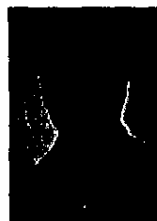
**Carolyn J. Flippen**  
*R&D process technology  
and development*

**Ronald G. Hicks**  
*Whitaker Park utilities general*

**K.B. King**  
*Sales*

**Gloria H. Millner**  
*Medical*

**Daniel R. Wood**  
*Engineering - packaging*



W. Walser - 30



D. Warren - 30

## 20 YEARS - SEPTEMBER

**Beth H. Blackwell**  
*Packaging employee relations*

**LuAnn J. Boles**  
*Fleet operations*

**Brenda S. Branscome**  
*Law*

**Scotty D. Calloway**  
*Forklift maintenance - internal*

**Michael L. Conrad**  
*Tobaccolville making  
and packing*

**Michael D. Craver**  
*Forklift maintenance - internal*

**T.E. Ewald**  
*Sales*



V. Williams - 30



G. Millner - 25

**Gerald W. Fowler**  
*No. 603 G-7 production*

**Arnold F. Garwood Jr.**  
*Contract management*

**Willie Hamilton**  
*No. 200 material flow  
packaging*

**Denaye J. Hodgins**  
*Purchasing*

**Nancy C. Huettel**  
*Operations finance*

**T. Mickey Hull**  
*Emergency services*

**Allan R. Hult**  
*Sales*

**Nandakumar B. Menon**  
*Financial support  
and planning systems*

**Anthony Miceli**  
*Sales*

**L. Wayne Morton**  
*Forklift maintenance - internal*

**Donna M. Nail**  
*RCFCU administration*

**Jane C. Reid**  
*CO2 production*

**Kathy H. Sapp**  
*Director of metals*

**David B. Schmerbauch**  
*Sales*

**Marie B. Steele**  
*RCFCU administration*

**Emmanuel L. Tolentino**  
*Sales*

**G.T. Weaver**  
*Sales*

## 15 YEARS - SEPTEMBER

**Cynthia H. Curtis**  
*Tobacco packaging  
development*

**Carlo E. Fasciani**  
*Sales*

**Seth W. Moskowitz**  
*Public affairs*

**Juan G. Nicholls**  
*International support -  
international R&D*

**Grady D. Pardue**  
*Technical services*

## 10 YEARS - SEPTEMBER

**M. David Bowe**  
*International support - security*

**Kenneth C. Carpenter**  
*Sales*

**Robert J. Davis**  
*Sales*

**Edward R. Gillis**  
*Sales*

**Lu Ann Heath**  
*Sales*

**Tommy L. Hickman**  
*Operations*

**John P. Kavanagh**  
*Sales*

**Scott R. Koch**  
*Tobacco processing  
maintenance general*

**Daniel R. Meckley**  
*Product evaluation*

**Eduardo H. Mlyares**  
*Sales*

**Michael J. Rand**  
*Sales*

**William R. Reed**  
*Sales*

**John F. Reilly**  
*General sales*

**Diana R. Wehrman**  
*Sales*

## 5 YEARS - SEPTEMBER

**Susan H. Baker**  
*Internal audit*

**Beverly A. Coronado**  
*Sales*

**Diane C. Eckardt**  
*Sales*

**Reginald L. Gray**  
*Sales*

**Sylvester Luckett**  
*Sales*

**David J. Niekowal**  
*Sales* ▶▶▶

**Jeffrey J. Nowinski**  
Sales

**Deborah H. Pence**  
Health and environmental  
services

**Rick L. Peterson**  
Sales

**Loracious Presley III**  
Sales

**Karen S. Tuell**  
Sales

## PROMOTIONS AND APPOINTMENTS

### BRAND-MEDIA-DIRECT MARKETING

**Melanie S. Barbee**  
to marketing manager

**Gary L. Phelps**  
to assistant manager -  
marketing operations

**Yvette J. Willard**  
to senior marketing manager

### DISTRIBUTION AND LOGISTICS

**Daniel W. Watts**  
to associate distribution analyst

### ENVIRONMENTAL AFFAIRS/SUPPORT SERVICES

**Kim R. Beauchamp**  
to safety and health  
professional III

### FINANCE AND TREASURY

**Karen S. Joyce**  
to senior financial analyst

**David C. Williams**  
to lead customer services  
analyst

## INFORMATION RESOURCES

**Jeffrey A. Atwell**  
to senior programmer/analyst

**Edwin G. Belo**  
to information resources  
support analyst III

**Louise M. Borgerson**  
to senior programmer/analyst

**Olin F. Dukes**  
to manager - database  
administration

**R. Diane Dunning**  
to systems development  
manager

**Allan R. Garms**  
to systems technical  
specialist III

**Vanessa W. Oakley**  
to systems development  
manager

**Elizabeth B. Pence**  
to senior programmer/analyst

**Phillip E. Robchewski**  
to lead programmer/analyst

**Phillip M. Saunders**  
to systems technical  
specialist III

**Kimberly J. Still**  
to senior programmer/analyst

## INTERNATIONAL SUPPORT

**Melissa A. Clark**  
to senior R&D international  
technologist

**William A. Freyer III**  
to regional director of the  
Americas - information  
resources

**Jeffrey A. Willis**  
to R&D international  
technologist II

## LAW

**Janis M. Davenport**  
to senior litigation support  
assistant

**Barry K. Miller**  
to manager - information  
resources and support

## MANUFACTURING FACTORY SERVICE

**Garland J. Wright**  
to production services  
attendant

## MANUFACTURING MAKING AND PACKING

**William R. Lawson**  
to Protos and KDF specialist

**Paul M. Phillips**  
to X-1 and X-2 packing  
specialist

## MANUFACTURING PRIMARY

**Timothy E. Harrold**  
to IVO/CRT operator

**Sylvia G. Lawson**  
to IVO/CRT operator

**Michael C. Manuel**  
to IVO/CRT operator

**Gregory F. McGee**  
to IVO/CRT operator

**Anthony D. Paschal**  
to IVO/CRT operator

## MANUFACTURING QUALITY CONTROL

**Gregory L. Simmons**  
to quality assurance tester/  
inspector

## OPERATIONS FINANCE

**Phillip L. Ziesemer**  
to manager - full price finance

## RCFCU

**Magalys R. Barra**  
to senior teller - RCFCU

**Joy L. Howard**  
to customer services assistant  
- RCFCU



W. Hamilton - 20



M. Hull - 20



D. Nail - 20

(continued from page 13)  
**Jeanette L. Snyder**  
 to senior teller - RCFCU

## RESEARCH AND DEVELOPMENT

**Teresa G. Ashby**  
 to senior staff R&D systems designer

**James T. Atkins**  
 to senior staff R&D systems designer

**Dennis W. Bowman**  
 to senior R&D technologist

**James M. Conner**  
 to senior R&D technologist

**Michael E. Edwards**  
 to senior staff R&D chemist

**Timothy B. Nestor**  
 to R&D technologist II

**Jerry W. Redding**  
 to senior R&D chemist

**Marvin G. Riddick**  
 to R&D technologist III

**Harold L. Steelman**  
 to lead R&D specialist

**Kenneth W. Swicegood Jr.**  
 to lead R&D specialist

**Timothy F. Tilley**  
 to lead R&D specialist

**P. Venkatasubbalah**  
 to senior staff R&D scientist

**Roy A. Vernon**  
 to senior R&D technologist

## RJR PACKAGING

**James E. Downey Jr.**  
 to rotogravure press helper

**Willie L. Fenner**  
 to slitter operator - packaging

**Jimmy D. Green**  
 to assistant rotogravure press operator

**Travis S. Hartman**  
 to assistant rotogravure press operator

**Maury J. Moffitt**  
 to rotogravure press helper

**Kerry D. Tatum**  
 to 4-Hi mill operator - packaging

## SALES

**Eda J. Arnold**  
 to non operations manager - Northern California region operations

**Kelli Jo Asel**  
 to account manager - field sales - Lansing, Mich., chain

**Gilbert H. Cook**  
 to account manager - field sales - Charleston, W. Va.

**Chase Hymas**  
 to key account manager - Salt Lake City, Utah, chain

**Stephen R. MacLeod**  
 to division sales manager - Albany, N.Y.

**Kathy J. McClain**  
 to retail manager - field sales - South Seattle, Wash.

**Kay M. Turgeson**  
 to retail manager - field sales - St. Paul, Minn.

## SALES/MARKETING FINANCIAL SERVICES

**Susan B. Wilson**  
 to manager - savings business unit finance

## TRUCK OPERATIONS

**David L. Myers Jr.**  
 to truck driver - tractor trailer

## RETIREMENTS

**J.F. Abrahamson**  
 Field sales, 33 years

**John D. Agnew**  
 Plant No. 604, 34 years

**Thomas L. Anderson**  
 Plant No. 604, 35 years

**Claudette G. Bailey**  
 Plant No. 200, 17 years

**Solange Bicking**  
 Field sales, 15 years

**Wendell S. Brown**  
 Cigarette manufacturing, 30 years

**Kerry L. Carpenter**  
 Cigarette manufacturing, 20 years

**Charles E. Cogger**  
 Whitaker Park primary, 30 years

**Robert M. Craver**  
 Plant No. 200, 36 years

**Ronnie L. Creed**  
 Plant No. 604, 17 years

**William S. Davis**  
 Cigarette manufacturing, 29 years

**Donald W. Fishel**  
 Plant No. 200, 26 years

**Charles F. Foster**  
 Brook Cove maintenance, 19 years

**Mattie G. Fowler**  
 Whitaker Park making and packing, 30 years

**James D. George**  
 Tobaccoville making and packing, 31 years

**Larry B. Hayes**  
 Cigarette manufacturing, 16 years

**Johnny C. Hemric**  
 Cigarette manufacturing, 21 years

**F.D. Hlatt**  
 Tobaccoville primary machinery and equipment, 37 years

**C. Melvin Hughes**  
 RCFCU administration, 32 years

**Douglas R. Jessup**  
 Whitaker Park primary, 30 years

**Mary A. Joyce**  
 Brook Cove packing, 33 years

**Shirley V. Koehn**  
 Cigarette manufacturing, 22 years

**John D. Lapish Jr.**  
 Tobaccoville primary machinery and equipment, 30 years

**James Lindsay Jr.**  
Whitaker Park primary,  
32 years

**Terry H. Long**  
Cigarette manufacturing,  
30 years

**Cedell C. Lyles Jr.**  
Plant No. 200, 30 years

**Carolyn K. Marlow**  
Whitaker Park making  
and packing, 36 years

**James S. Martin**  
Plant No. 604, 24 years

**R.E. Matthews**  
Whitaker Park making  
and packing, 31 years

**James C. Melvin**  
Field sales, 25 years

**Robert D. Mitchell**  
Trucking general, 22 years

**J.C. Moses**  
Field sales, 30 years

**Carolyn D. Napper**  
Cigarette manufacturing,  
21 years

**M.J. Pace Jr.**  
Field sales, 30 years

**Billie Pankey**  
Plant No. 200, 18 years

**Donoray B. Pegeuse**  
Cigarette manufacturing,  
22 years

**R.N. Plourde**  
Field sales, 30 years

**James R. Price Jr.**  
Plant No. 604, 17 years

**F.D. Rhode**  
Field sales, 27 years

**J.M. Scher**  
Field sales, 27 years

**Willie A. Simmons**  
Cigarette manufacturing,  
21 years

**Betty Smith**  
Coupon operations, 15 years

**Fred R. Smith Jr.**  
Tobaccoville making  
and packing, 31 years

**Aura K. Sparks**  
Wooten Cove packing, 28 years

**Loris L. Timmons**  
Cigarette manufacturing,  
31 years

**Anthony B. Upchurch**  
Plant No. 200, 37 years

## SPECIAL SUGGESTION AWARDS

October - 1997

**Edwin H. Brown**  
No. 200 Packaging  
Received an award in  
the amount of \$1,010 for  
recommending stopping press  
cylinder collars in the proper  
place when the agitator is  
turned off, reducing change-  
over time.

**Bernard L. Hardin**  
**Donald S. Poole**  
No. 200 Packaging  
Received a joint award in  
the amount of \$8,125 for  
recommending to consolidate  
the packing specifications of  
materials sent to RJRT,  
resulting in material savings.

**James M. Hutchens**  
No. 200 Packaging  
Received an award in the  
amount of \$1,555 for recom-  
mending to use a glue roll  
with etched cells, resulting in  
reducing the number of hours  
required for cleaning and  
set-up when changing to  
casine glue.

**John C. Marshall**  
**John O. Wiedenhoff**  
No. 603 Processing  
Received a joint award in the  
amount of \$3,280 for recom-  
mending using a torch to  
remove the centrifuge discharge  
nozzles without damage,  
resulting in material savings.

**John T. Miller**  
**Ronda J. Parks**  
**Clifton C. Smith**  
**Eda P. Watts**

*Production recovery operations*  
Received a joint award in  
the amount of \$3,180 for  
recommending that DIET label  
the cans to distinguish wet  
tobacco from good tobacco,  
resulting in product savings by  
eliminating contamination.

**Ronnie E. Snyder**  
No. 200 Packaging  
Received an award in  
the amount of \$1,340 for  
recommending to install a  
tension-loss control on  
Laminator 2 and 10 to reduce  
downtime due to web loss  
associated with splice failures.

## IN MEMORIAM

**Melvin B. Palmer**, 53, a making  
machine operator - Protos at  
Whitaker Park making and  
packing, died Oct. 20. A  
resident of Winston-Salem,  
N.C., he had 30 years of service  
with the company.

**Mary M. Seagraves**, 39, a  
senior administrative assistant  
in Sports Marketing Enterprises  
general, died Oct. 13. A  
resident of Clemmons, N.C.,  
she had 16 years of service  
with the company.

**Joe L. Welch**, 53, a general  
plant attendant at Tobaccoville  
manufacturing, died Oct. 7. A  
resident of Walnut Cove, N.C.,  
he had 17 years of service with  
the company.



## Irwin wins Vantage and joins PGA history

*R.J. Reynolds Tobacco Co. President and Chief Executive Officer Andy Schindler (left), presented Hale Irwin, winner of the Vantage Championship, with a check for \$225,000 at the close of the tournament Oct. 5. With Irwin's victory at the Vantage, he became the first player in Professional Golfers Association (PGA) history to win \$1 million in earnings during one season. Held at Tanglewood Park in Clemmons, N.C., this 11-year-old championship invites players on the Senior PGA Tour, such as Gil Morgan, Larry Nelson, Arnold Palmer and Lee Trevino.*

## Caravan

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